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Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 66 No. 9 SEPTEMBER 1988

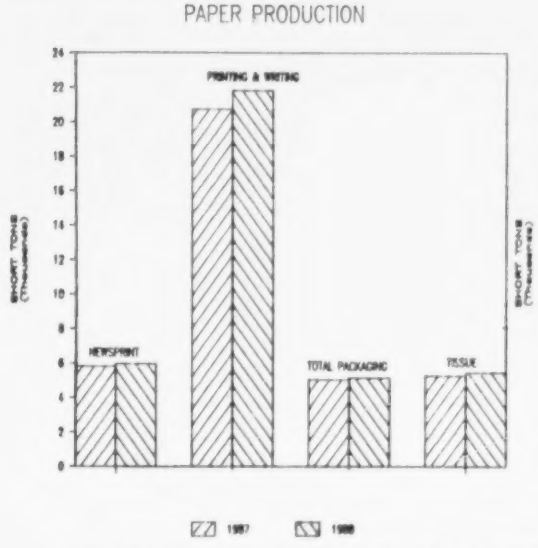
PAPER AND PAPERBOARD PRODUCTION: STRONG AND STEADY

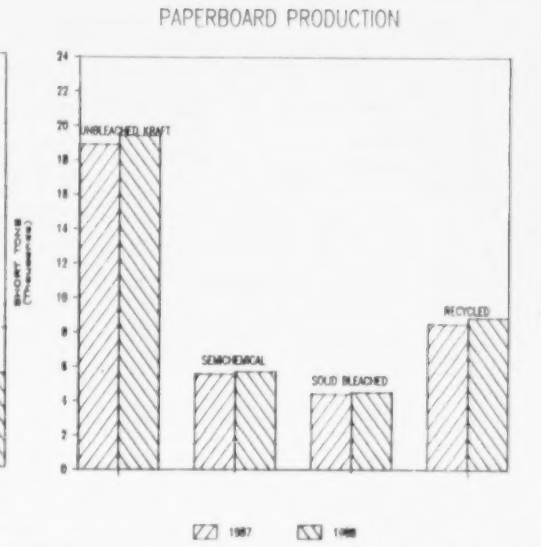
Production of paper and paperboard remained on the record-high plateau it reached in the first half of 1988, with the actual July-August totals at 77 million tons per year. The eight-month adjusted rate, which takes into account the leap-year day in 1988, was 3.5% above its year-ago level.

The charts at the bottom of this page summarize the production trends of the major paper and paperboard grade groupings, and depict the relative size of each. They compare annual rates of production in the first eight months of 1988 with the totals for all of 1987.

Paper: The demand for paper continues to make the major contribution to the growth trend for total paper and paperboard. Sparked by gains in printing-writing papers and packaging and industrial papers other than kraft, the trend of total paper production gained 5% from its year-earlier level in the first eight months of 1988.

The largest increase among the printing-writing grades was in coated paper shipments, which gained 10% in this period. The 7.4 million tons per year rate was equivalent to 97% of the reported capacity. The strongest markets for these papers were magazines, other periodicals and book publishers, followed by the commercial printers.





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The strength in demand for coated papers was also reflected in imports. The June-July rate of these imports was 845,000 tons per year, which brought the annual rate for the entire January- July period to 744,000 tons (see table on page 9), 32% above their corresponding 1987 level.

Total demand for coated papers as measured by new supply (production plus imports less exports) was a record-breaking 8.2 million tons, up 12% from its corresponding 1987 level.

Paperboard: Paperboard production continued in line with this year's flat trend, with the actual 7-month 1988 total 3.1% ahead of its year-ago level. The gains were concentrated in production for the domestic market; production for export was down by a slight 2%. The unadjusted January-August 1988 rate was 38.5 million tons per year, equivalent to 98% of the reported capacity.

Production of unbleached kraft paperboard, at 19.4 million tons per year, was 3.0% above its year-ago level in this period, equivalent to 99% of the reported capacity. Total kraft linerboard production gained 3.4%; production for domestic use 4.4%. This latter increase compares to a 3.7% gain in shipments of corrugated shipping containers and a 4.1% increase in production of total containerboard for domestic use. The levels are all at record highs, attesting to the strong demand for paperboard shipping containers.

In an unusual turnaround, recycled paperboard showed the largest year-to-year gain it its eight-month production total: up 5.0%. This strength is also reflected in the 4.1% gain shown for production of boxboard for domestic use, along with an 11% increase in recycled corrugating medium. The report on page 11 discusses the impact of these trends on the total use of waste paper by the paper industry.

Folding boxboard accounts for about one-half the domestic use total shown in the table on page 3. It is used to package a wide range of consumer products, such as cereals and other packaged food, soap products and drug store items.

Recycled folding boxboard, which accounts for about one half the domestic boxboard use total, rose 4.9% in the first eight months of 1988; solid bleached folding boxboard gained only 1.4%.

Bleached board production showed only modest gains. At 4.5 million tons per year, production rose by 1.1%, with the entire gain concentrated in production for domestic use. The rate was equivalent to 95% of the reported capacity. The largest market is folding boxboard, which accounts for about 47% of the bleached board total. Milk carton and food service items account for 42%; exports 13%. Production of milk carton stock gained 3% in the January-August 1988 period, but the total for the milk carton and food service group was a shade below its year-ago level.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

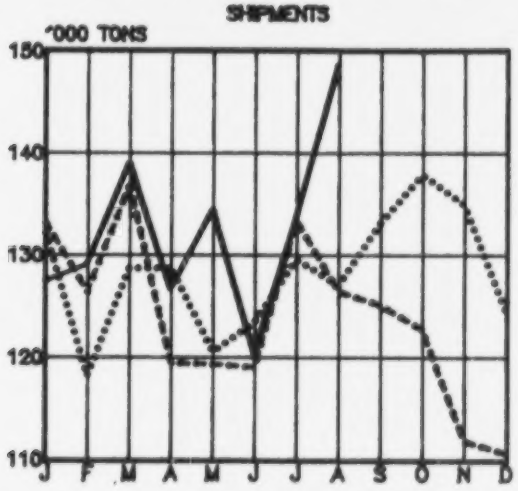
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	MAY 1988	JUNE 1988 (P)	JULY 1988 (P)	AUGUST 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,638	5,842	514	490	481	509	5,966	3.1
- Shipments	5,638	5,854	510	495	475	506	5,915	2.1
Printing & Writing Sum	19,668	20,700	1,782	1,796	1,747	1,880	21,847	6.4
Groundwood Paper - Shipments	1,540	1,485	135	120	134	149	1,591	4.5
- New Orders	1,553	1,529	152	122	131	139	1,581	1.1
-Unfilled Orders	124	164	179	188	177	169	169	20.0
Coated Papers - Shipments	6,263	6,860	601	617	594	644	7,421	10.1
- New Orders	6,334	7,066	620	612	662	636	7,510	6.2
- Unfilled Orders	469	708	678	688	746	745	745	6.8
Unctd Free Sheet - Shipments	10,410	10,977	921	935	903	966	11,332	4.7
- New Orders	10,485	11,184	921	964	906	937	11,417	4.2
- Unfilled Orders	587	773	779	828	819	791	791	23.7
Thin Papers - Shipments	271	251	20	16	14	15	220	-12.0
Cotton Fiber Paper - Shipments	152	163	14	13	12	12	161	-1.6
Bleached Bristols - Production	1,033	1,044	93	94	90	95	1,123	9.8
Tissue Paper - Production	5,095	5,301	461	454	451	460	5,454	3.7
Total Packaging & Other Paper	5,117	5,068	419	421	404	429	5,160	2.3
Unbl. Kraft Paper - Shipments	3,303	3,075	236	241	236	248	2,994	-2.8
Other Paper - Production	1,814	1,993	183	180	169	180	2,166	10.3
TOTAL PAPER-Production-Unadj.	35,510	36,990	3,176	3,161	3,082	3,278	38,428	5.0
-Production-S.A.			3,200	3,207	3,214	3,221	38,362	4.5
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,503	2,416	2,488	2,555	29,667	2.4
Total Unbl. Kraft Paperboard	17,689	18,913	1,653	1,583	1,619	1,666	19,438	3.0
Unbl. Kraft Linerboard (1)	16,482	17,682	1,545	1,480	1,511	1,552	18,150	3.4
Production for Export	2,246	2,318	186	197	191	203	2,417	0.9
Other Unbl. Kraft Paperboard	1,287	1,232	107	104	108	114	1,288	-1.8
Semichemical Paperboard	5,376	5,600	491	466	480	494	5,718	1.8
Production for Export	213	189	10	9	10	14	133	-34.7
Solid Bleached Paperboard	4,222	4,420	360	366	389	395	4,511	1.1
Production for Export	569	619	45	53	46	55	606	-3.8
Recycled Paperboard	8,092	8,506	761	737	694	730	8,863	5.0
Production for Export	70	75	7	6	6	6	74	9.7
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,264	3,152	3,181	3,285	38,530	3.1
- Containerboard Prod.(Dom. Use)	21,426	23,016	2,043	1,923	1,985	2,003	23,633	3.6
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	506	512	518	541	6,278	4.0
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	467	453	425	462	5,388	2.8
- Total Paperbd Prod. for Export	3,097	3,201	248	265	254	279	3,231	-2.0
TOTAL PAPERBOARD PROD.- S.A.			3,174	3,166	3,158	3,151	38,056	2.6
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,889	74,429	6,440	6,313	6,263	6,563	76,957	4.0
Production - S.A.			6,374	6,373	6,372	6,372	76,418	3.6

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

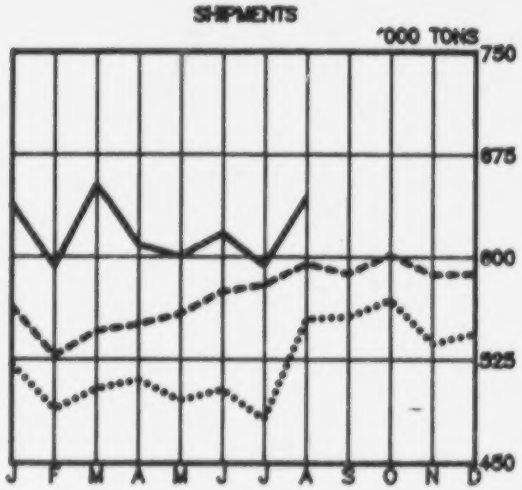
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



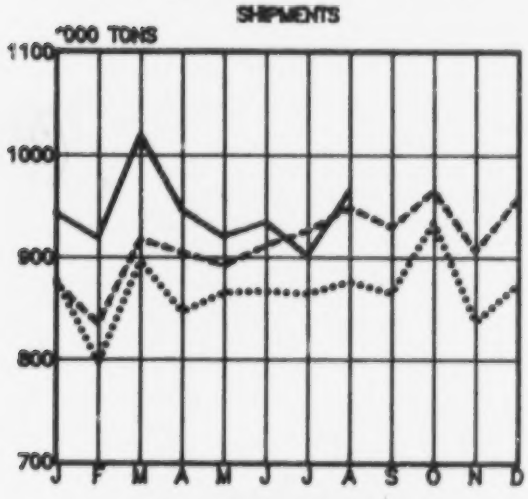
COATED PAPER

SHIPMENTS



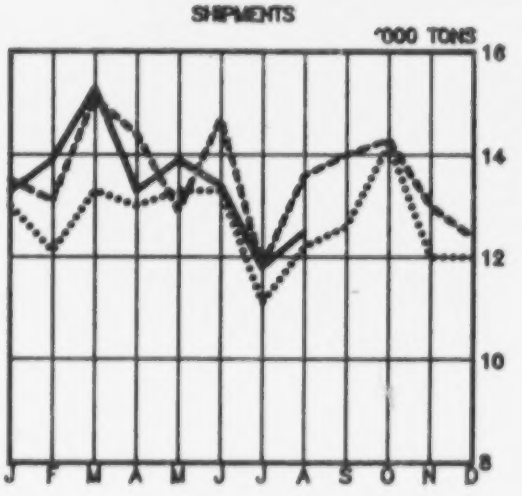
UNCOATED FREE SHEET PAPERS

SHIPMENTS



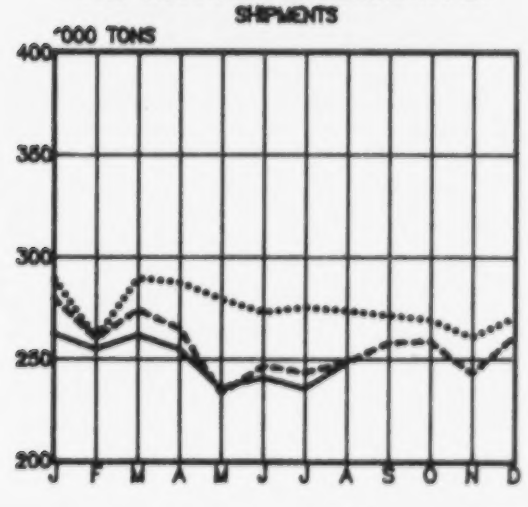
COTTON FIBER PAPER

SHIPMENTS



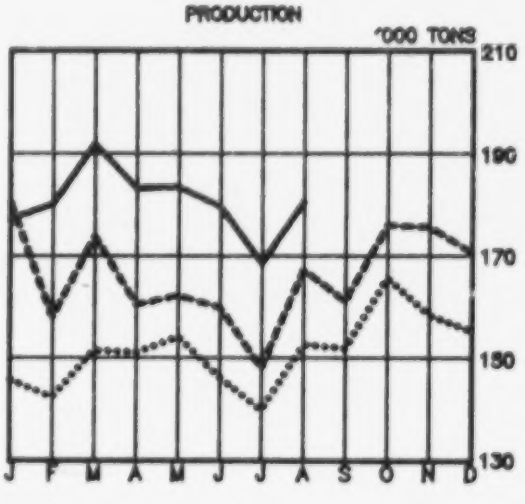
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ..... 1987 ------ 1988 ——

W O O D P U L P S T A T I S T I C S
(Thousands of Tons)

	YEAR 1986	YEAR 1987	APRIL 1988	MAY 1988	JUNE 1988	JULY 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57,005	59,552	5,004	4,991	4,949	5,212	60,977	3.0
- Imports	4,582	4,850	428	415	415	416	5,014	3.1
- Exports	4,458	4,889	453	433	497	392	5,314	9.4
- New Supply	57,129	59,513	4,979	4,973	4,867	5,236	60,676	2.5
Dissolving Pulp - Production	1,258	1,312	105	99	117	117	1,306	-0.2
- Imports	255	198	21	16	19	11	230	11.4
- Exports	711	752	81	61	101	56	833	10.7
- New Supply	801	757	44	54	36	72	703	-7.7
Paper Grades - Production	46,081	48,293	4,037	4,011	4,003	4,235	49,388	2.8
Chemical Pulp - Imports	4,220	4,456	370	360	362	375	4,411	-1.7
- Exports	3,689	4,111	365	368	395	331	4,431	8.6
- New Supply	46,612	48,637	4,042	4,003	3,971	4,278	49,368	1.9
Groundwood and - Production	5,476	5,702	509	507	480	497	5,957	6.7
Thermo-Mech. - Imports	108	197	37	39	33	30	372	119.1
- Exports	59	26	6	3	1	4	52	104.4
- New Supply	5,525	5,872	539	543	512	523	6,279	9.6
Semi-Chemical - Production	4,191	4,246	354	373	349	363	4,326	1.1
- Imports								
- Exports								
- New Supply	4,191	4,246	354	373	349	363	4,326	1.1
MARKET WOOD PULP								
Total Market - Production	7,572	8,114	676	642	698	728	8,362	4.5
Wood Pulp - Imports	3,122	3,235	298	260	288	291	3,417	7.5
- Exports	4,470	4,820	392	379	456	382	4,883	3.6
- New Supply	6,224	6,529	582	523	530	636	6,896	6.6
Dissolving Pulp - Production	1,251	1,308	104	99	128	117	1,324	1.6
- Imports	212	154	20	13	18	11	201	31.5
- Exports	718	775	62	59	79	48	746	-1.7
- New Supply	745	687	62	53	68	79	779	11.7
Paper Grades - Production	6,315	6,806	571	543	570	611	7,038	5.0
Chemical Pulp - Imports	2,831	2,975	261	238	258	267	3,044	4.2
- Exports	3,752	4,045	330	320	378	334	4,137	4.6
- New Supply	5,394	5,736	502	461	450	544	5,945	4.9
Groundwood Pulp - Production	5	0	0	0	0	0	0	0
and All Other - Imports	79	106	18	9	12	13	171	61.6
- Exports	0	0	(0)	0	(0)	(0)	(0)	0.0
- New Supply	85	106	18	9	12	13	171	61.7

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

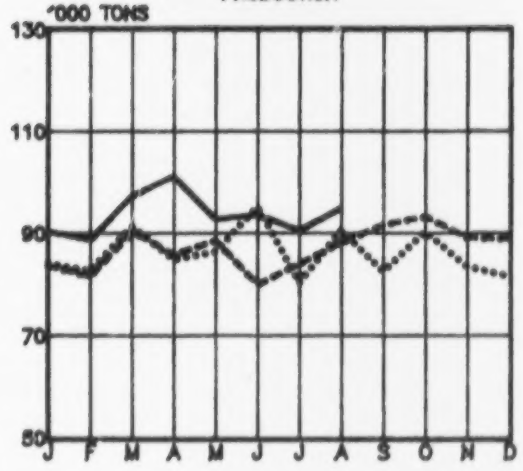
F I B R O U S R A W M A T E R I A L S
(Thousands of tons)

	YEAR 1986	YEAR 1987	APRIL 1988	MAY 1988	JUNE 1988	JULY 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS				R	P	P		
Total	74,345	77,770	6,545	6,652	6,494	6,676	79,664	3.2
Total Wood Pulp	57,061	59,474	5,004	5,041	4,931	5,153	60,838	2.8
Waste Paper	17,285	18,296	1,541	1,611	1,563	1,523	18,827	4.6
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	169	160	175	194	194	12.2
Producers' Market Inventories	284	224	256	243	193	236	236	-16.1
Consumers' Purchased Inventories #	496	529	532	513	534	548	548	0.8
Waste Paper at Paper & Bd. Mills	838	928	937	897	904	897	897	6.2
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	13	13	12	12	12	-20.8

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

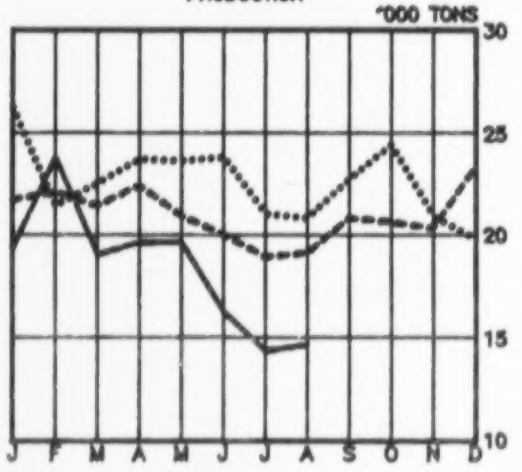
BLEACHED BRISTOLS

PRODUCTION



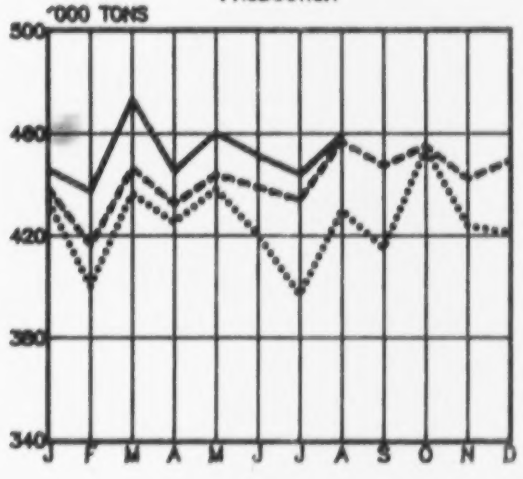
THIN PAPER

PRODUCTION



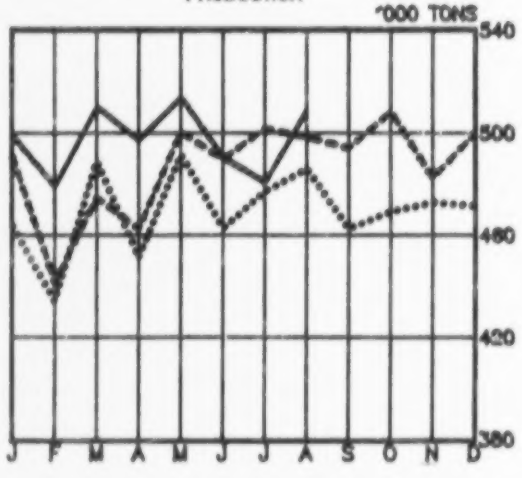
TISSUE PAPER

PRODUCTION



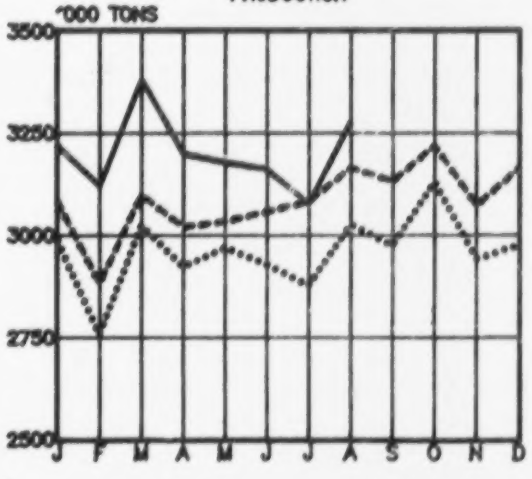
NEWSPRINT

PRODUCTION



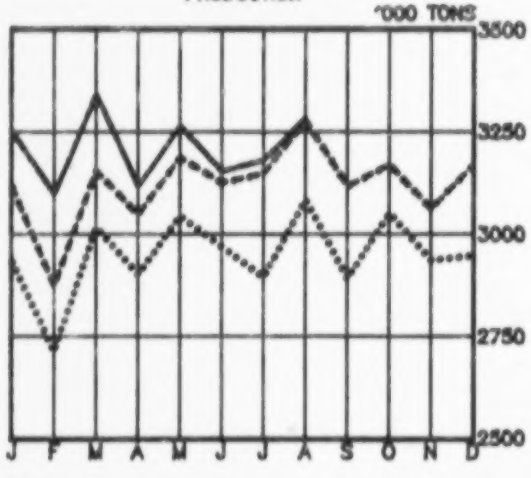
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 ..... 1987 - - - - - 1988 ———

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	APRIL 1988	MAY 1988	JUNE 1988	JULY 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	98,943	94,312	7,911	7,611	7,766	7,652	94,193	0.0
	- Total Consumpt	91,434	93,946	8,137	7,650	7,689	7,901	95,381	1.4
	- Residues *	32,755	32,899	2,925	2,753	2,693	2,697	32,988	1.1
	- Inventories	4,794	5,096	4,642	4,420	4,507	4,232	4,232	-11.5
So. Atlantic	- Total Receipts	29,513	31,147	2,663	2,412	2,489	2,541	30,983	1.0
	- Total Consumpt	29,425	30,915	2,740	2,450	2,512	2,613	31,248	2.1
	- Residues *	9,343	9,553	865	795	683	800	9,742	7.1
	- Inventories	994	1,211	1,099	1,041	1,033	980	980	-4.4
Northeast	- Total Receipts	7,277	6,941	456	541	630	569	6,989	-2.6
	- Total Consumpt	7,227	7,109	668	621	582	578	7,392	1.7
	- Residues *	1,419	1,563	144	134	141	107	1,596	2.8
	- Inventories	484	596	491	482	445	430	430	-3.8
South Central	- Total Receipts	31,798	33,658	2,799	2,716	2,789	2,632	33,178	-1.5
	- Total Consumpt	32,113	33,859	2,754	2,699	2,748	2,742	33,481	1.0
	- Residues *	9,792	9,992	806	802	841	815	9,826	-4.0
	- Inventories	926	1,294	1,067	1,018	1,068	937	937	-13.9
North Central	- Total Receipts	6,571	6,552	482	563	586	557	7,059	8.9
	- Total Consumpt	6,738	6,764	588	606	582	566	7,187	5.3
	- Residues *	1,842	1,263	102	105	118	107	1,378	30.5
	- Inventories	892	838	891	848	806	802	802	-9.3
West	- Total Receipts	15,792	16,022	1,511	1,379	1,272	1,353	16,152	-1.1
	- Total Consumpt	15,939	16,099	1,395	1,274	1,265	1,402	16,152	-0.7
	- Residues *	11,159	10,548	1,008	927	828	868	10,445	-2.2
	- Inventories	1,498	1,167	1,103	1,141	1,155	1,083	1,083	-19.1

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 19-Sep-88

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	JUNE 1988 Tons	JUNE 1988 ($000)	JULY 1988 Tons	JULY 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	36	4	5,328	555	34,826	624.2
Pulpwood chips	407,147	15,250	45,268	2,451	98,480	4,192	842,877	103.5
Wood Pulp, Total	4,320,114	1,842,019	354,762	183,651	379,[illegible]	204,178	4,321,843	-0.9
Waste Fibrous Materials, Total	186,286	36,423	21,033	4,663	17,[illegible]	4,094	244,259	29.2
Paper, Board & Products, Total	10,588,047	5,093,993	881,184	480,576	885,869	479,229	10,764,583	1.2
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	869,149	459,894	874,744	468,816	10,619,381	1.3
Paper, Paperboard & Products	10,365,412	5,027,943	864,818	475,681	867,749	473,765	10,564,163	1.6
Paper & Paperboard, Only	10,218,838	4,779,782	851,975	454,719	856,624	455,351	10,419,040	1.7
Paper, Total	9,961,198	4,698,148	828,694	446,354	836,358	447,653	10,155,988	1.5
Newsprint	8,588,389	3,956,147	689,623	361,614	707,533	368,389	8,561,597	-1.4
Printing, Writing & Rel. Pap.	1,111,641	681,978	115,886	70,571	108,143	67,881	1,307,418	23.4
Pack. & Ind. Conv. Paper	215,514	102,986	18,222	9,832	17,457	9,256	232,694	7.3
Special Industrial Paper	5,478	9,844	489	817	329	594	4,527	-19.6
Tissue Paper	40,257	27,194	4,554	3,519	2,988	2,414	49,751	26.3
Paperboard, Total	257,639	81,554	23,281	8,365	28,274	7,698	263,053	7.4
Convtd Paper&Paperbd Products	146,575	248,241	12,835	20,682	11,125	18,414	145,123	-1.4
Wet Machine Board	2,898	1,977	274	195	138	102	2,978	-0.5
Construction Paper & Board	219,744	63,983	16,988	4,988	17,982	5,362	197,363	-15.3

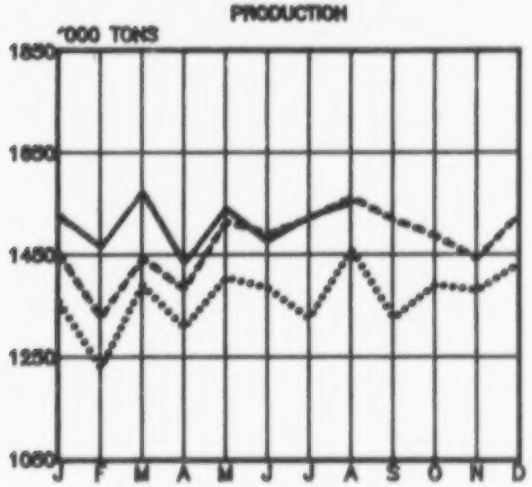
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	778	0	0	0	0	13,215	341.5
Pulpwood chips	61,575	4,814	761	35	2,549	117	43,158	-44.7
Wood Pulp, Total	198,921	75,956	18,444	6,588	28,575	7,359	259,558	31.3
Cotton Pulp & Other Pulp	59,288	14,775	6,884	1,858	5,968	1,917	83,866	86.2
Waste Paper	286,898	38,592	25,512	2,827	27,214	3,847	309,926	14.7
Paper, Board & Products, Total	957,434	598,429	99,681	61,983	75,985	53,424	1,278,323	44.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,434	198,256	72,583	40,237	55,345	12,478	991,837	49.8
Paper, Paperboard & Products	920,755	581,481	96,366	60,598	73,748	52,648	1,245,459	46.4
Paper & Paperboard, Only	675,815	381,380	69,788	38,844	53,348	31,686	958,973	52.4
Paper, Total	297,585	258,887	26,386	24,695	22,140	20,751	351,900	19.2
Newsprint	4,525	3,728	488	459	487	407	3,896	-29.7
Printing, Writing & Rel. Pap.	151,716	125,667	13,858	13,628	12,632	11,851	172,159	18.8
Pack. & Ind. Conv. Paper	25,826	17,841	2,496	2,293	2,677	1,873	39,197	61.3
Special Industrial Paper	118,187	97,888	9,826	7,829	5,949	6,885	131,223	14.8
Tissue Paper	5,411	6,490	384	486	475	534	5,326	-1.8
Paperboard, Total	378,230	138,581	43,482	14,149	31,208	10,936	607,073	81.7
Convtd Paper&Paperbd Products	244,940	208,173	27,178	21,746	20,440	20,954	286,486	29.4
Wet Machine Board	10,212	4,828	985	363	585	224	7,198	-37.3
Construction Paper & Board	26,467	12,120	1,810	1,831	1,612	568	25,666	3.3

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 19-Sep-88

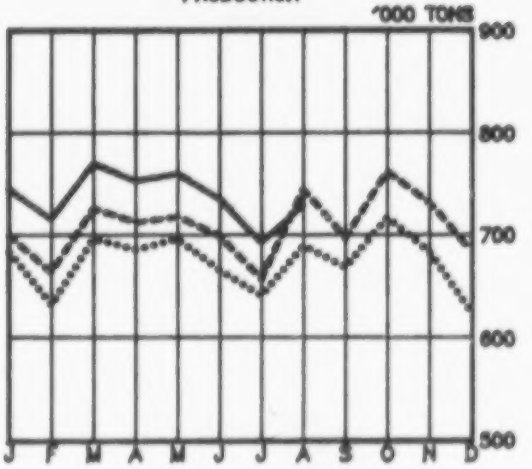
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



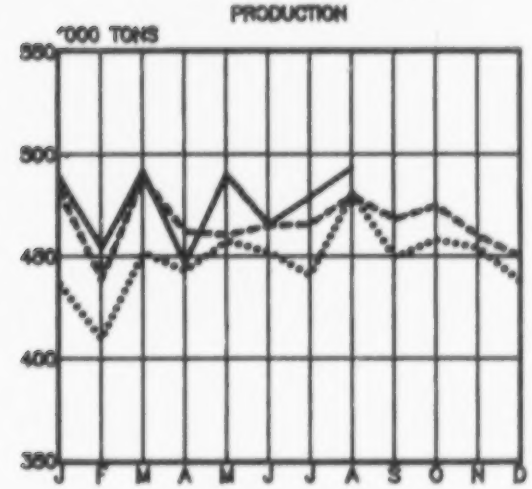
RECYCLED PAPERBOARD

PRODUCTION



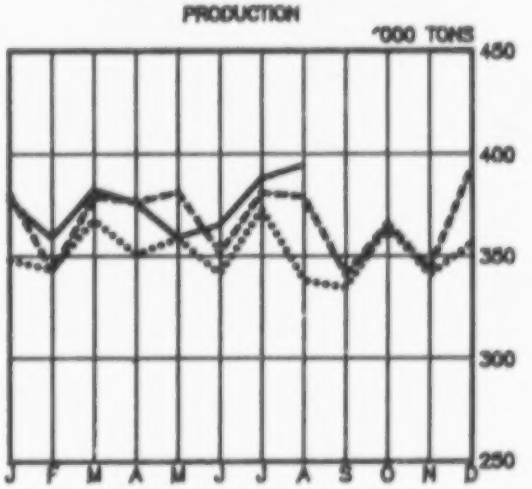
SEMICHEMICAL PAPERBOARD

PRODUCTION



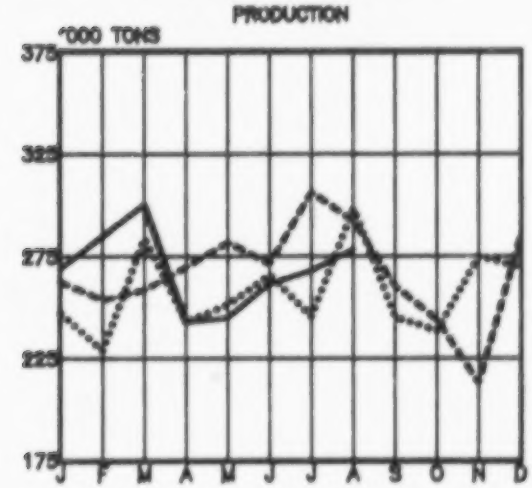
SOLID BLEACHED PAPERBOARD

PRODUCTION



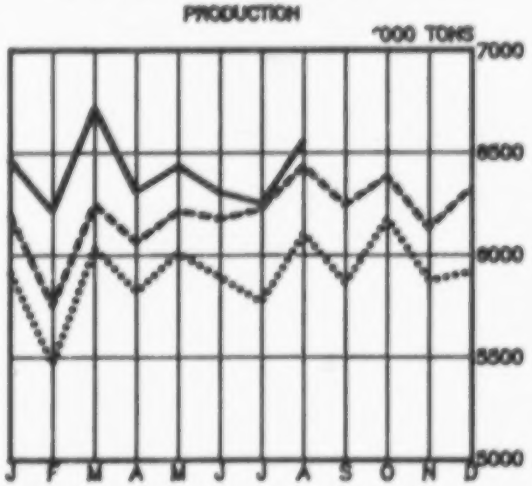
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ..... 1987 ------1988 ——

I M P O R T S

	YEAR 1987 Tons	YEAR 1987 $000	1988 JUNE Tons	1988 JUNE $000	1988 JULY Tons	1988 JULY $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	38	5	5,328	555	34,829	611.6
Pulpwood Chips	525,629	15,476	49,728	2,519	99,872	4,214	959,486	81.5
Total All Imports	17,891,172	9,043,600	1,516,178	882,416	1,578,365	882,775	18,195,795	3.6
Wood Pulp Total	4,850,238	2,069,389	414,783	217,872	416,152	224,594	5,013,432	3.1
Waste Paper	127,398	19,231	13,382	2,101	11,000	2,221	169,680	43.3
Other Fibrous Materials	76,491	27,287	9,855	3,331	7,251	2,640	96,488	8.8
Paper Board & Products Total	12,837,046	6,927,693	1,078,150	659,112	1,075,154	653,319	13,116,267	3.4
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,041,825	574,459	1,038,881	570,935	12,707,589	3.6
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,051,888	658,433	1,046,282	644,892	12,816,649	3.7
Paper & Paperboard Only	12,126,039	5,896,165	1,014,763	565,788	1,011,929	561,788	12,487,891	3.9
Paper Total	11,765,288	5,768,783	986,298	554,969	987,660	552,876	12,071,101	4.3
Newsprint	8,986,548	4,131,327	714,868	373,402	728,874	377,882	8,861,818	-1.8
Printing & Writing	3,410,216	1,412,458	239,331	159,951	226,880	151,354	2,813,984	29.8
Uncoated Groundwood	1,269,774	694,767	116,135	67,756	103,753	59,486	1,418,871	21.5
Coated Print.& Impreg. Pap.	674,531	467,865	69,155	53,679	71,602	55,948	774,148	12.6
Uncoated Free Sheet	417,395	249,963	49,245	36,278	45,515	32,152	559,232	48.5
Uncoated Book	218,624	119,775	21,484	14,188	22,987	15,360	248,885	16.6
Writing and Similar Paper	286,771	138,168	27,836	20,178	22,529	16,792	319,147	83.3
Thin (except Cigarette)	47,567	38,831	4,731	4,156	3,731	3,249	59,269	11.9
Bristols	950	1,852	67	91	1,480	599	3,271	256.8
Total Pkg & Other Paper	310,324	191,620	27,391	17,811	27,898	18,668	327,622	6.6
Unbleached Kraft Paper	168,420	89,828	13,431	8,414	12,666	8,027	185,759	-1.5
Other Pkg. & Indust. Paper	141,904	101,792	13,960	11,397	15,225	12,633	141,863	17.8
Tissue	58,131	43,299	4,727	3,785	5,616	4,981	67,677	16.4
Paperboard, Total	360,831	127,461	28,473	10,831	24,268	9,632	336,798	-8.4
Test or Containerboard	89,981	29,352	6,322	2,881	6,695	2,978	73,878	-6.6
Semi-Chemical Corrugating	128,636	33,898	13,874	4,266	9,568	3,868	149,388	22.1
Other Paperboard	151,214	64,211	8,278	3,764	8,013	3,574	113,525	-31.6
Convtd Papers&Paperbd Products	401,559	932,571	36,325	84,653	36,274	82,384	488,758	-2.6
Paper Products, Total	368,179	866,121	33,844	78,233	33,277	77,869	371,916	-3.1
Paperboard Products, Total	33,380	66,450	3,281	6,420	2,997	5,339	36,842	5.2
Wet machine Board	3,463	2,638	348	267	279	285	4,228	19.9
Construction Paper & Board	385,985	96,328	26,714	8,412	26,677	8,942	295,398	-8.3
Notes								
Other: No Weight Avail. ($000)		201,453		17,874		13,873	176,859	-15.5
Total Imports Incl. Other($000)		9,245,053		899,498		896,647	18,668,896	19.1

E X P O R T S

	YEAR 1987 Tons	YEAR 1987 $000	1988 JUNE Tons	1988 JUNE $000	1988 JULY Tons	1988 JULY $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	16,178	913	0	0	0	0	14,659	193.8
Pulpwood Chips	2,546,467	188,459	272,768	23,415	321,247	27,517	3,288,481	66.7
Total All Exports	14,797,437	6,897,818	1,493,832	668,416	1,337,827	579,466	16,847,893	16.6
Wood Pulp,Total	4,889,331	2,259,377	497,878	266,896	391,812	216,887	5,314,368	9.4
Cotton Pulp and Other Pulp	182,881	91,365	14,738	9,198	15,693	8,768	289,674	31.6
Waste and Old Paper	4,422,139	953,348	498,514	62,814	498,655	58,197	5,469,380	38.9
Paper, Board & Products,Total	5,383,966	3,103,728	498,798	322,399	439,667	295,581	5,854,558	11.5
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,778	2,288,329	416,884	224,374	377,621	213,327	5,068,254	18.4
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,844,586	473,756	311,964	428,671	288,655	5,718,952	11.1
Paper & Paperboard, Only	4,471,418	2,221,187	399,948	223,939	368,827	208,681	4,983,756	9.9
Paper, Total	921,397	776,181	83,425	88,301	82,878	72,140	1,058,790	16.6
Newsprint	339,773	210,893	32,775	22,635	36,828	25,187	355,346	2.8
Printing & Writing	249,892	242,639	23,428	26,143	28,213	22,467	284,379	22.3
Uncoated Groundwood	55,841	39,790	5,726	4,894	4,291	3,587	65,786	38.5
Clay Coated Paper	100,819	72,145	7,981	6,588	6,492	4,916	102,348	6.9
Uncoated Free Sheet	67,858	99,338	8,795	10,895	6,514	10,181	81,186	29.6
Other Printing & Writing	24,554	31,414	2,926	6,655	2,917	3,762	35,139	31.4
Total Pkg. & Other Paper	294,281	292,659	25,265	28,606	23,271	25,081	351,919	21.8
Unbleached Kraft	89,194	48,788	8,898	3,961	8,863	3,859	108,432	16.4
Other Pkg. & Indust. Paper	205,087	251,981	17,167	24,645	15,288	21,942	251,487	23.8
Tissue	38,332	38,799	1,956	2,918	1,767	2,274	59,147	81.8
Paperboard, Total	3,550,021	1,444,936	316,515	143,638	286,757	132,793	3,852,966	8.2
Solid Wood Pulp	3,218,952	1,321,618	290,289	131,284	266,388	121,977	3,556,292	9.1
Total Linerboard	2,296,633	812,141	181,276	76,883	179,881	71,282	2,280,448	-1.8
Bleached Kraft Linerboard	182,266	46,429	6,238	4,312	12,822	6,676	141,771	97.6
Unbleached Kraft Linerbd	2,194,367	765,731	175,045	69,691	167,859	65,126	2,138,677	-9.9
Other Unbleached Kraft	218,566	78,596	38,897	18,718	25,511	8,695	511,711	133.6
Other Bleached Kraft	647,883	497,923	67,196	45,366	59,573	41,668	718,868	12.9
Semi-Chemical Corrugating	63,951	22,930	2,920	1,225	1,421	613	47,296	-60.5
Recycled Paperboard	331,869	123,388	26,227	12,356	20,369	10,775	294,676	-8.8
Convtd Papers&Paperbd Products	725,196	823,309	71,816	88,825	61,844	82,174	814,296	18.6
Paper Products, Total	381,283	540,681	29,373	56,989	26,611	51,582	352,713	20.9
Paperboard Products, Total	423,994	282,718	44,443	31,837	34,993	30,592	461,583	16.8
Wet Machine Board	17,328	7,816	1,172	522	1,[illegible]	142	12,448	-38.6
Construction Paper & Board F	98,824	91,485	15,772	9,912	8,174	6,186	120,858	46.3
Notes								
Other: No Weight Avail. ($000)		8,917		938		763	8,866	13.2
Total Exports Incl. Other($000)		6,815,855		661,355		580,229	7,283,625	26.5

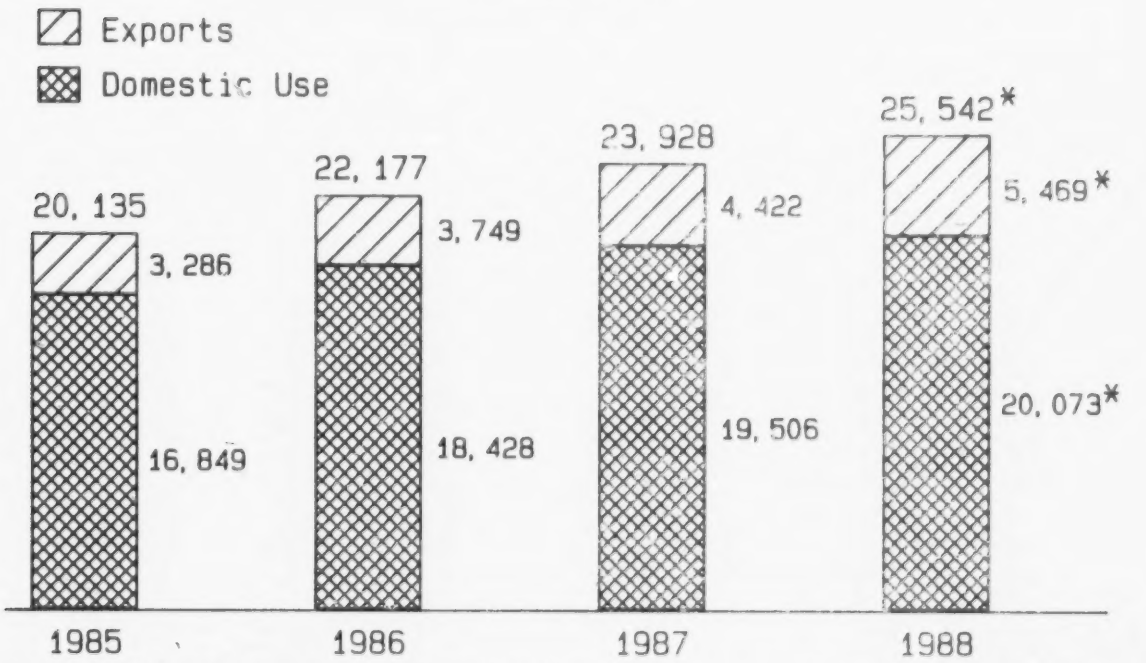
SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1982 = 100

	1986	1987	MAY 1988	JUNE 1988	JULY 1988	AUGUST 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	124.1	124.8	125.6	126.3	140.7	8.7
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	123.1	123.8	124.6	125.3	139.4	8.7
Total Wood Pulp	94.7	111.5	137.2	140.1	138.3	141.0	152.6	21.6
Total Paper	107.0	111.5	122.0	122.3	123.6	124.7	138.6	9.6
Total Paper, exc. Newsprint	107.9	110.6	121.8	121.9	123.9	125.4	138.3	10.2
Newsprint	103.3	112.3	127.5	127.5	127.4	127.3	145.8	17.0
Total Paperboard	106.5	118.1	133.1	134.0	134.3	134.5	150.4	13.5
Total Paper and Paperboard *	106.8	113.6	125.5	126.0	127.8	127.8	142.3	10.9
Converted Products	109.4	114.7	122.0	122.7	123.6	124.2	138.6	6.4
Waste Paper	142.6	181.4	184.5	183.9	185.3	185.4	215.5	6.9
All Commodities	100.2	102.8	106.5	107.4	107.8	108.0	121.4	3.9
Industrial Commodities	100.0	102.6	106.1	106.8	106.7	107.1	120.8	3.8

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

DEMAND FOR U.S. WASTE PAPER
(Thousand Tons)



Domestic includes waste paper used at construction paper and board mills and by molded pulp producers.

* Annual rate 7 months data

FIBROUS MATERIALS

Market Pulp: Strong demand, high operating rates, and lean inventories have characterized the U.S. market pulp industry's operating environment this year. Capacity utilization rates for U.S. producers of chemical grade market pulp averaged 100% during the first eight months of 1988 and cumulative shipments through August of 1988 exceeded their year-ago volume by 5%.

U.S. shipments of chemical paper grade market pulp to the domestic market exceeded their year-ago volume by 4.1% during the first eight months of 1987. Shipments to Japan gained 25.3%, while shipments to Western Europe were up just 1% and shipments to Latin America were off 15.6%. U.S. inventories of chemical grade market pulp amounted to 12 days of supply at the end of August, the same number of days of supply on hand at the end of July, and at the beginning of the year.

Total North American and Nordic chemical grade market pulp shipments ran ahead of their year-ago volume by 2.4% through during the first eight months of 1988. Utilization rates for the combined capacity of these producers averaged 99%. Combined inventories of chemical grade market pulp held by North American and Nordic producers amounted 17 days of supply at the end of August, up from 16 days of supply at the end of July, but still low by historical standards.

Waste Paper Collection: Demand for U.S. waste paper has also been strong during recent years and the collection rate has increased. Specifically, the recovery rate for recyclable paper -- i.e., total waste paper recovered as a percentage of new supply of paper and paperboard -- pushed up from 26.3% in 1985 to 28.5% in 1987. It subsequently averaged 29.5% during the first seven months of this year, representing the highest level in recent history.

Strong export demand was one of the chief factors behind the recent pickup in waste paper collections. U.S. exports of waste paper surged 14.1% in 1986 and another 18.0% last year, bringing the 1987 total to 4.4 million tons. During the first seven months of 1988, waste paper exports averaged 5.5 million tons a year and were up 31% relative to their year-ago volume. Domestic consumption of recyclable paper and paperboard has also been trending up. It rose 9.4% in 1986 and 5.9% in 1987. At an average pace of 20 million tons a year (including usage in the construction grades), recyclable paper and paperboard consumption exceeded its year-ago volume by 4.6% during the first seven months of 1988. The graph on page 10 profiles recent waste paper usage patterns.

FASTER GROWTH IN U.S. MANUFACTURING PRODUCTIVITY

Productivity growth in U.S. manufacturing industries accelerated during the 1980's, according to data compiled by the Bureau of Labor Statistics. In particular, output per manhour in U.S. manufacturing industries rose at an average rate of 3.9% a year between 1980 and 1987. That rate of gain compares favorably with the 2.7% average annual pace of productivity growth witnessed during the 1960's and the sluggish 2.3% a year pace of the 1970's.

Gains in U.S. manufacturing productivity during the 1980's also compare favorably with rates of increase reported for several other leading industrial nations, including some of the largest exporters of paper and paperboard. For example, manufacturing productivity in the Canadian economy grew at an average rate of 3.1% a year between 1980 and 1987, while manufacturers in Sweden and Norway increased their productivity at average annual rates of 3.1% and 3.4%, respectively. As is shown by the accompanying table, three major industrial nations registered faster productivity growth than the U.S. during the 1980-87 period: the U.K. (5.5%); Japan (4.8%); and Italy (4.5%).

Unit labor costs, which take account of wage rates as well as productivity, are another important measure of a nation's competitiveness. Unit labor costs in U.S. manufacturing industries increased 49% between 1977 and 1982, but owing to slower wage increases and faster productivity growth, declined 6% from 1982 to 1987. Measured in terms of U.S. dollars, manufacturing unit labor costs in most other industrial nations have risen significantly during the past few years. The rapid increases mainly reflected the dollar's sharp decline relative to most other major trading currencies since early 1985. For instance, stated in terms of U.S. dollars, unit labor costs in Japanese manufacturing industries rose 66% between 1985 and 1987. Over the same period, they increased 51% in Sweden, 53% in Norway, and 10% in Canada.

OUTPUT PER MANHOUR IN MANUFACTURING
(average annual growth)

	1969-79	1980-87
U.K.	2.7%	5.5%
Japan	7.2	4.8
Italy	4.8	4.5
U.S.	2.3	3.9
France	5.2	3.6
Norway	3.0	3.4
Sweden	3.7	3.1
Canada	2.9	3.1
Germany	4.6	2.9

Source: U.S. Bureau of Labor Statistics

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

September 28, 1988

PRODUCTION (000 TONS)

	AUGUST 1988	JULY 1988	AUGUST 1987	FIRST EIGHT MONTHS 1988	FIRST EIGHT MONTHS 1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	509	481	498	3,978	3,858	3.1
Printing & Writing	1,880	1,747	1,792	14,565	13,682	6.4
Uncoated Groundwood (s)	149	134	127	1,060	1,014	4.5
Coated Paper (s)	644	594	595	4,947	4,495	10.1
Uncoated Free Sheet Paper (s)	966	903	950	7,555	7,215	4.7
Thin Paper (s)	15	14	19	147	166	-12.0
Cotton Fiber Paper (s)	12	12	14	107	109	-1.6
Bleached Bristols (s)	95	90	88	748	682	9.8
Tissue Paper	460	451	457	3,636	3,507	3.7
Total Pkg & Other Paper	429	404	416	3,440	3,362	2.3
Unbl. Kraft Paper (s)	248	236	249	1,996	2,053	-2.8
Other Paper	180	169	167	1,444	1,310	10.3
TOTAL PAPER	3,278	3,082	3,163	25,619	24,409	5.0
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,666	1,619	1,672	12,958	12,576	3.0
Unbleached Kraft Linerboard	1,552	1,511	1,562	12,100	11,702	3.4
Other Unbl. Kraft Paperboard	114	108	109	859	874	-1.8
Semichemical Paperboard	494	480	480	3,812	3,745	1.8
Bleached Paperboard	395	389	380	3,007	2,976	1.1
Recycled Paperboard	730	694	746	5,909	5,628	5.0
TOTAL PAPERBOARD	3,285	3,181	3,277	25,686	24,925	3.1
TOTAL PAPER AND PAPERBOARD	6,563	6,263	6,440	51,305	49,334	4.0

WOOD PULP (ALL GRADES)	JULY 1988	JUNE 1988	JULY 1987	FIRST SEVEN MONTHS 1988	FIRST SEVEN MONTHS 1987	% Change 88/87
Dissolving & Special Alpha	117	117	123	762	763	-0.2
Bleached Sulfite)	131	129	116	898	823	9.0
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,273	2,135	2,185	15,282	14,778	3.4
Unbleached Sulfate	1,830	1,739	1,845	12,630	12,419	1.7
Semichemical	363	349	364	2,523	2,496	1.1
Groundwood & Thermomechanical	497	480	483	3,475	3,256	6.7
TOTAL PULP DIVISION DATA	5,212	4,949	5,115	35,570	34,535	3.0

(s) - Shipments
P - Preliminary

SEPTEMBER 28, 1988

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	June	July	August	1988	
Total Production (API).....: excluding :...	*70,889	74,429	6,313	6,263	6,563	76,957	4.0
Total Seasonally Adjusted....:construction:...			6,373	6,372	6,372	76,418	3.6
Imports (including Products).: and wet :..E	11,597	12,528	1,051	1,048	1,060	12,805	3.9
Exports (including Products).: machine :..E	4,593	5,197	474	431	440	5,663	8.2
Apparent Consumption.....: grades :...	77,893 a	81,760 b	6,951	6,990	6,992	83,560 c	3.3
Paper Production % Tonnage Capacity.....	93.2 g	94.0	95.4	90.2	95.3	95.9	-
Paperboard Production % Tonnage Capacity.....	94.3 g	96.8	97.4	95.3	97.4	97.9	-
			May	June	July		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,123	1,078	1,075	13,116	3.4
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	464	491	440	5,855	11.5
			May	June	July		
MARKET WOOD PULP PRODUCTION - Tons (000).....	7,572	8,114	642	698	728	8,362	4.5
TOTAL WOOD PULP PRODUCTION - Tons (000).....	57,005	59,552	4,991	4,949	5,212	60,977	3.0
WOOD PULP IMPORTS - TONS (000).....	4,582	4,850	415	415	416	5,013	3.1
WOOD PULP EXPORTS - TONS (000).....	4,458	4,889	433	497	392	5,314	9.4
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			May	June	July		
Wood Pulp.....:consumption for:.....	57,061	59,475	5,041	4,931	5,153	60,838	2.8
Waste Paper.....:construction & :.....	17,285	18,296	1,611	1,563	1,523	19,827	4.6
TOTAL.....: WMB grades :.....	74,345	77,770	6,652	6,494	6,676	79,665	3.2
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,650	7,689	7,901	95,301	1.4
EMPLOYMENT (000)			June	July	August		
Paper and Allied Products.....Total.....	673.7	679.0	697.2	692.1	695.6	688.0	1.7
Pulp, Paper and Board Mills.....Total.....E	248.1	244.9	250.0	247.5	249.5	246.1	0.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			June	July	August		
Paper and Allied Products.....	11.18	11.42	11.65	11.73	11.64	11.60	2.1
Pulp, Paper Mills.....E	13.63	14.00	14.32	14.40	14.40	14.22	2.3
Paperboard Mills.....E	13.98	14.30	14.34	14.40	14.40	14.40	1.3
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q4	1988 Q1	1988 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	9.01	9.86	9.96	11.09	11.09 Y	23.1
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			June	July	August		
:IN PULP, PAPER :...Production Workers.....	131.2	140.0	141.8	145.2	143.4	144.0	3.0
:AND BOARD MILLS:...All Employees.....	128.6	136.7	138.8	140.9	139.1	140.4	3.1
PAPER AND ALLIED PRODUCTS (Million $)			May	June	July		
Industry Shipments (Dept. of Commerce)*.....	103,916	118,855	10,280	10,356	10,491	127,191	10.3
Pulp, Paper and Paperboard*.....	44,033	51,518	4,525	4,547	4,699	57,151	15.3
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,390	11,436	11,513	11,513	5.4
Pulp, Paper and Paperboard*.....	4,115	4,266	3,957	3,978	4,009	4,009	-3.2
			1987 Q4	1988 Q1	1988 Q2		
Sales (Corporations Only).....	74,844	95,576 RS	25,088	25,504	27,227	105,462	15.2
Earnings (Corporations Only).....	3,280	5,520 RS	1,495	1,744	2,195	7,878	61.5
Depreciation (Corporations Only).....	3,389	4,279 RS	1,051	1,169	1,124	4,586	8.2
Net Worth (Corporations Only).....	31,221	39,217 RS	39,217	40,213	41,621	41,621	13.1
PRICE INDEXES (Bureau of Labor Stats)1982=100			June	July	August		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	124.8	125.6	126.3	123.1	8.8
Wood Pulp.....	94.7	111.6	140.1	138.3	141.0	133.5	22.1
Waste Paper.....	142.6	181.4	183.9	185.3	185.4	188.4	5.7
Paper.....	107.0	111.5	122.3	123.6	124.7	121.3	9.8
Paperboard.....	106.5	118.1	134.0	134.3	134.5	131.6	13.4
PAPER DEMAND (INDEXED: 1977=100)			June	July	August		
Total Paper Production *.....	128.0	133.8	138.9	139.2	139.5	138.5	4.5
Paper New Supply *.....	133.7	140.6	144.7	145.1	145.5	144.8	4.2
Demand Indicators - (Weighted Average) *.....	146.4	154.5	162.4	163.3	163.6	161.6	5.6
Production of Nondurable Goods *...(21.2%)	130.1	136.8	142.7	144.1	144.2	142.5	5.1
Disposable Income .....*.(23.9%)	127.8	130.0	134.9	135.4	134.9	134.1	3.7
Total Printing and Publishing *...(54.9%)	160.9	172.0	182.0	182.9	183.5	180.9	6.3
Trend Factor	----------	----------	------- Not Available -------			----------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	121.9	129.1	131.2	130.9	130.6	131.4	2.6
Production for Domestic Use	118.7	126.5	128.4	128.5	127.1	128.4	2.7
Demand Indicators - (Weighted Average) *.....	121.9	125.9	131.7	132.9	133.2	131.1	5.0
Production of Consumer Goods *...(62.06%)	124.1	127.7	133.0	133.7	134.0	132.4	4.1
Production of Equipment *...(5.75%)	143.7	148.8	158.7	159.5	159.7	157.2	6.9
Production of Materials *...(32.19%)	113.8	118.3	124.4	126.5	126.9	124.1	6.5
Trend Factor	----------	----------	------- Not Available -------			----------	----------
NEWSPRINT MARKETS			May	June	July		
Consumption by Publishers - Tons (000).....	13,158	13,583	1,166	1,099	1,074	15,168	16.0
Newspaper Pub. and Printing Empl. Total(000)...	461	471	476	479	478	476	2.0
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	154,317	161,131	15,065	12,891	9,451	173,826	14.3
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,072	4,496	4,122	50,249	20.0
Inventories (End of Period).	3,577	3,850	3,999	4,138	4,217	4,217	18.0
FIBRE BOX DATA (Fibre Box Association)			June	July	August		
Fibre Box Shipments (Million square feet).....	283,921	297,827	25,840	24,475	26,878	307,557	3.7
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,617	2,724	2,741	2,741	13.2
RETAIL TRADE (Billion $)			June	July	August		
Total Retail Sales *.....	1,437	1,509	134	134	133	1,585	5.9
Nondurable Goods Stores Sales *.....	899	951	83	83	84	984	4.1
GENERAL ECONOMIC DATA			June	July	August		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	136.5	137.9	138.2	136.0	5.9
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	107.4	107.8	108.0	106.2	3.9
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	109.6	113.6	118.0	118.5	119.0	117.3	4.0
			May	June	July		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	624	632.3	641.2	645.6	645.6	9.0
			1987 Q4	1988 Q1	1988 Q2		
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..							
G.N.P. or Expenditure - Current $.....	4,240	4,527	4,663	4,725	4,824	4,774	7.6
G.N.P. or Expenditure - 1982 $.....	3,722	3,847	3,923	3,956	3,985	3,971	4.5

lb/capita

Pap&Papbd Othr Totl Popul(mil)

.a - 645 + 18 = 663 241.6

.b - 670 + 17 = 687 243.9

.c - 681 + 17 = 698 245.5

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.

g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised

Y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.